

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In Re:

DZS, INC., *et al.*,¹

Debtors.

Chapter 7

Case No. 25-40712

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF NETCOMM
WIRELESS PTY LTD (ADMINISTRATORS APPOINTED) ACN 002 490 486 (A
COMPANY INCORPORATED IN AUSTRALIA) TO THE TRUSTEE'S MOTION
FOR AN ORDER APPROVING SALE OF CERTAIN PROPERTY OF THE ESTATE
FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND LEASES**

NOW COMES NetComm Wireless Pty Ltd (Administrators Appointed) ACN 002 490 486 (“NetComm”), by and through their undersigned attorneys, and files this Limited Objection and Reservation of Rights (the “Objection”) to the *Trustee's Motion for an Order Approving Sale of Certain Property of the Estate Free and Clear of All Liens, Claims, Encumbrances and Assumption and Assignment of Executory Contracts and Lease* [Docket No. 26] filed on April 4, 2025, (the “Motion”), and respectfully states as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

¹ The Debtors in these Chapter 7 cases, along with the last four digits of each Debtor's Federal Tax Identification Number, include: DZS Inc. (9099), DZS Services Inc. (3763), and DZS California, Inc. (3221). The location of the Debtors' service address is: 5700 Tennyson Parkway, Suite 400, Plano, TX 75024.

PRELIMINARY STATEMENT

2. The Administrators are in full support of the relief requested in the Motion. As noted below, the proposed purchaser identified in the Motion is also the proposed buyer of securities of NetComm by means of a separately negotiated transaction. The sale of the NetComm shares is set forth, as an option, in the Purchasers April 2, 2025, Letter of Intent to Michelle Chow, Trustee, in Section 9.

3. Accordingly, separately, NetComm and MNSi, or one of its affiliates (“MNSi”), have agreed to the terms and conditions of the sale of NetComm business. MNSi has communicated to NetComm that it intends to exercise the option shortly after its closing on the purchase, if approved, of the DZS assets as requested in the Motion.

BACKGROUND REGARDING ADMINISTRATION

4. On March 17, 2025, Mr. Rahul Goyal and Ms. Catherine Margaret Conneely of Cor Cordis, an Australian Financial Advisory Firm, were appointed as Administrators (the “Administrators”), of NetComm. In connection with the Australian Administration Process, the Company is referred to as: NetComm Wireless Pty, Ltd (Administrators Appointed) ACN 002 490 486. NetComm is a company incorporated in Australia and a wholly owned subsidiary of DZS Inc.

5. In connection with the Administration, the Administrators’ role is to investigate the Company's property, affairs, and financial circumstances. Since their appointment on March 17, 2025, the Administrators have attended to key tasks regarding the course of the administration proceeding, including a sale of the NetComm business in Australia to proposed purchaser, MNSi. As noted throughout this filing, MNSi is also the proposed purchaser for the Debtors' assets.

6. DZS acquired NetComm from Casa Communication Holdings Pty Limited (Administrators Appointed) (“Casa”) on June 1, 2024. Casa was a subsidiary of Casa Systems Inc which was previously in a Delaware Chapter 11 proceeding. Rahul Goyal and Catherine Margaret Conneely were the Administrators of Casa. Since June 1, 2024, DZS as parent company to NetComm, has continued to operate their world-wide business operations.

7. As part of the NetComm acquisition, NetComm had approximately \$45 million of inventory held in various third-party warehouses in Australia, China, Taiwan, Ireland, New Zealand and the United States. Furthermore, following the June 2024 transaction, NetComm also provided new inventory to DZS in order for DZS to sell said inventory to its customers. The total amount of inventory owned by NetComm currently has a value in excess of \$30 million.

8. Pursuant to the 2024 transaction between Casa and DZS, NetComm is the owner of all, or substantially all, of the inventory of DZS wherever located throughout the world. Furthermore, NetComm’s ownership of certain inventory located in Dallas, Texas (the Seko Inventory, or Seko Logistics inventory), has been stipulated to by the Trustee.

9. Notwithstanding its ownership rights in and to the inventory (other than the Dallas inventory), NetComm is in agreement for the DZS inventory to be sold and transferred to MNSi, and only MNSi, as proposed in the Motion.

RESERVATION OF RIGHTS

10. As noted above, the Administrators support the sale of the Debtors’ assets as requested in the Motion to MNSi, however the Administrators reserve their rights and remedies with respect to DZS as set forth herein.

11. As noted above NetComm is the owner of certain inventory located in Dallas, Texas, referred to as the Seko Facility inventory. This inventory is not part of the DZS estate. It

has therefore been specifically carved out from the assets being sold to the Purchaser. In the event the relief requested in the Motion is not approved and the proposed purchaser, MNSi, does not acquire the Debtors assets, NetComm will promptly exercise any and all of its rights and remedies with respect to the Dallas inventory.

12. Additionally, in the event that the relief requested in the Motion is not approved and MNSI is not approved as the purchaser of the Debtors' assets, NetComm reserves all of its remedies and all of its right, title, and interest, in and to, its inventory, wherever located, including any inventory which may be in the possession of DZS, resulting from the June 2024 Casa / DZS sale transaction. The total amount of inventory owned by NetComm is believed to be \$33,450,773.

The Administrators reserves all of their rights to supplement or amend this Objection and to make such other and further objections as necessary.

WHEREFORE, NetComm respectfully request that this Court approve the Motion, but only subject to the claims and rights of NetComm as set forth herein, and that this Court grant the Administrators such other and further relief as the Court deems just and appropriate under the circumstances.

Dated: April 25, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on April 25, 2025, a true and correct copy of the above document was electronically filed with the court using the CM/ECF system, which will send notification to all parties in interest receiving notice pursuant to the CM/ECF system.

/s/ Raymond J. Urbanik

Attorneys for NetComm Administrators